

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 /056 W
-----072778 011056Z /14

R 010626Z MAR 78
FM AMEMBASSY MASERU
TO SECSTATE WASHDC 8326
INFO AMEMBASSY GABORONE
AMEMBASSY MBABANE
AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN

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CAPE TOWN FOR EMBASSY

E.O. 11652: N/A
TAGS: ECON, EFIN, LT
SUBJECT: LESOTHO'S REVENUE FROM SOUTH AFRICAN CUSTOMS UNION

REF: A. GABORONE 0356, B. 77 MBABANE A-56,

1. ALTHOUGH LESOTHO'S ACTUAL REVENUE FROM THE SOUTH AFRICAN CUSTOMS UNION (SACU) IS CONSIDERED "CONFIDENTIAL" BY GOL, THE DIRECTOR OF CUSTOMS TOLD THE IRO THAT THE PUBLISHED "ESTIMATES" ARE IN FACT THE REVENUE RECEIVED OR TO BE RECEIVED. THIS MEANS THAT THE ESTIMATES FOR THE PAST PROBABLY ARE ACCURATE, AND THE ESTIMATES FOR THE FUTURE ARE FAIRLY ACCURATE.

2. THE FIGURES PUBLISHED IN THE "ESTIMATES OF THE REVENUE AND EXPENDITURE OF THE KINGDOM OF LESOTHO FOR THE YEAR FROM 1ST APRIL 1977 TO 31ST MARCH 1978" SHOW THE FOLLOWING INCOME FROM CUSTOMS:

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	INCOME RAND (000,000)	INCOME DOLLARS (000,000)	O/O OF TOTAL REVENUE
1975-76	15.3	17.6	57 O/O
1976-77	18.9	21.8	59 O/O
1977-78	22.7	26.2	67 O/O

2. AS CAN BE SEEN, NOT ONLY IS GOL HEAVILY DEPENDENT ON SACU

REVENUE, BUT THE DEPENDENCE HAS BEEN INCREASING. GOL IS NOT IN A POSITION TO TAKE ANY STAND VIS-A-VIS SACU THAT WOULD DECREASE THE INCOME RECEIVED BY LESOTHO. LESOTHO COULD BE SERIOUSLY HURT BY A SEVERE RECESSION IN SOUTH AFRICA, BY A TRADE EMBARGO AGAINST SOUTH AFRICA OR, AS REPORTED REF A, BY THE ELIMINATION OF THE EXISTING TAXES WHICH FEED THE CUSTOMS POOL WHICH IS THE SOURCE OF A MAJOR PART OF LESOTHO'S SACU RECEIPTS. ANY OF THESE EVENTUALITIES WOULD DESTROY THE BASIS OF THE GOL BUDGET, WHICH IS THE REVENUE DERIVED FROM SACU.

3. EMBOFF ATTEMPTED TO SOUND OUT GOL OFFICIALS (CUSTOMS AND FOREIGN AFFAIRS) REGARDING THE NEW SALES TAX IN SOUTH AFRICA AND ISSUES RAISED IN REFTTEL B. HOWEVER, THIS, TOO, IS "CONFIDENTIAL" AND NOT TO BE DISCUSSED WITH ANYONE. DIRECTOR OF CUSTOMS WAS WILLING TO STATE THAT GOL FEELING WAS SIMILAR TO GOB AND GOS FEELINGS, BUT WOULD NOT VENTURE ANY DETAILS. THE SILENCE ON THIS ISSUE SUGGESTS THE SERIOUSNESS WITH WHICH IT IS BEING TREATED BY GOL.
NORLAND

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Message Attributes

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